

EARNINGS REPORT FOR FIRST THREE QUARTERS OF FISCAL2013

(April 1 to December 31, 2013)

(consolidated on the basis of Japanese accounting standards)

Released on January 30, 2014

(English translation for reference purposes only)

Name of Company: Ichiyoshi Securities Co., Ltd.

Listed on: Tokyo Stock Exchange (1st Section) (Stock code: 8624)

Corporate representative: Mr. Yasuaki Yamasaki, President & Representative Executive Officer

Inquiry to: Mr. Kiyotaka Mochida, Operating Officer in charge of Finance & Planning

Tel: (03) 3555-9589 (URL <http://www.ichiyoshi.co.jp/>)

Date of filing First Three Quarters Report: February 13, 2014 (scheduled)

Materials for supplementary explanation of quarterly business result: None.

Business result-reporting meeting: None.

1. Outline of Consolidated Business Result for First Three Quarters of Fiscal 2013 (from April 1 to December 31, 2013)

(1) Highlights of consolidated business result (in millions of yen with fractions less than a million yen discarded, except for per-share figures)

---First Three quarters ended ---

Dec. 31, 2013

Dec. 31, 2012

	(% year-to-year change in brackets)	
Operating revenue	19,563 (+ 70.8)	11,452 (+ 11.0)
Net operating revenue	19,524 (+ 71.1)	11,412 (+ 11.2)
Operating income	7,258(+ 861.2)	755 (--)
Current income	7,340(+ 839.3)	781 (--)
Net income	6,732(+ 925.4)	656 (--)
Earnings per share	154.75yen	15.13yen
Diluted earnings per share (adjusted for shares potentially issuable)	153.42yen	15.13yen

Note:

Comprehensive income for the first three quarters of fiscal 2013: 6,675 million yen (+963.5%)*

Comprehensive income for the first three quarters of fiscal 2012: 627 million (--%)*

*= Bracket indicates a percentage change from the year-earlier period)

(2) Consolidated financial condition

	As of Dec. 31 2013	As of March 31 2013
<hr/>		
Total assets (in millions of yen)	52,385	43,751
Net worth (in millions of yen)	30,822	27,431
Equity ratio	58.7%	62.5%
<hr/>		

Note: Shareholders' equity as of December 31, 2013: 30,743 million yen.

Shareholders' equity as March 31, 2013: 27,357 million yen.

2. Dividend

	--- Fiscal year ended ---	
	March 31, 2014	March 31, 2013
<hr/>		
Per-share dividend: (See notes below)		
1 st quarter	---	---
2 nd quarter	45.00 yen	10.00 yen
3 rd quarter	---	---
Final	---	22.00 yen
Annual total	---	32.00 yen
<hr/>		

Notes: (i) Ichiyoshi Securities Co., Ltd. (the "Company") declares dividends payable to shareholders of record as of September 30 (semiannual dividends) and March 31 (final dividends) of each fiscal year, but not to shareholders as of June 30 and December 31 of each fiscal year.

(ii) It is not Ichiyoshi's practice to give a dividend (and earnings) forecast.

3. Outlook for Consolidated Business Result for Fiscal 2013 (from April 1, 2013 to March 31, 2014)

Since the forecast of earnings in financial-instruments trading, the main-line business of the Company and its group companies, is hard to make due to volatile factors in the market, the Company does not provide such forecast prior to the end of each business quarter. Instead, the Company intends to release preliminary earnings figures after the end of each business quarter as and when such figures become available.

4. Points to Note

(1) Changes in material subsidiaries (including a change in scope of consolidation): None.

(2) Application of an accounting treatment unique to the preparation of quarterly financial statements: None.

(3) Changes in accounting policies and accounting estimates and re-presentations of modifications:

(i) Changes in accounting policies resulting from revisions to accounting standards: None.

(ii) Changes other than those in (i): None.

(iii) Changes in accounting estimates: None.

(iv) Re-presentations of modifications: None.

(4) Number of issued shares (common stock):

(i) Number of issued shares as of December 31, 2013: 44,431,386 shares (including treasury shares)

Number of issued shares as of March 31, 2013: 44,431,386 shares (including treasury shares)

(ii) Number of treasury shares as of December 31, 2013: 932,970 shares.

Number of treasury shares as of March 31, 2013: 756,676 shares.

(iii) Average number of shares outstanding during the first three quarters of fiscal 2013: 43,507,140 shares.

Average number of shares outstanding during the first three quarters of fiscal 2012: 43,400,447 shares.

Additional points to note:

1. The quarterly earnings figures included herein are released without being reviewed by certified public accountants as required by the Financial Instruments and Exchange Law. Those figures are being reviewed by certified public accountants at the time of this release.
2. For the same reason that the Company does not provide earnings forecast prior to the end of each business quarter as stated in “**3. Outlook for Consolidated Business Result for Fiscal 2013 (From April 1, 2013 to March 31, 2014)**” on page 2, the Company does not provide a dividend forecast.

I. Qualitative Information for First Three quarters of Fiscal 2013

1. Qualitative Information on Consolidated Business Result

During the first three quarters of fiscal 2013, the economic climate of such advanced nations as Japan, the U.S. and European nations took on a gradually brighter tone, mainly supported by the

recovery trend of the U.S. economy and the bottoming-out of the European economy. In the meantime, global stock markets moved nervously on concerns over the looming tapering of the U.S. QE since May, but turned upward as the pending U.S. congressional budgetary talks progressed in September. In December, while the FOMC of the U.S. decided on the long-anticipated tapering of the QE, the Fed at the same time indicated its stance of keeping up an easy-monetary policy, helping stabilize and boost global stock markets, those in advanced nations in particular, towards the end of the year.

The Japanese stock market moved in expectation of a brighter economic climate from the BoJ's extra-scale monetary easing and the growth strategies of the Abenomics, with the Nikkei Stock Average recording 15,942yen on May 23. Thereafter, however, the market's upward movement was weighed down by anxieties over the outlook for the U.S. financial and budgetary situations. Amid such condition, the Japanese yen weakened above 100yen per 1 U.S. dollar from November, which was welcomed as a favorable factor to boost the earnings of Japanese export-related industries. Further assisted by the FOMC's decision on the QE tapering which helped clear the market hangover, the Nikkei Stock Average ended the term under review at 16,291yen, a year-high.

With respect to the Japanese emerging-stock market, the Nikkei JADAQ Stock Average recorded 2,140yen, a year high, in May, but declined to 1,717yen, a year low, in June. Thereafter, going past correctional periods, the JADAQ Stock Average ended the term at 2,053yen, a near high for the year, on the back of the brightening circumstances.

The average daily turnover on the Tokyo Stock Exchange (which includes the merged Osaka Securities Exchange) for the first three quarters of fiscal 2013 was 2,968.0 billion yen, up 137.5% over the comparable period of fiscal 2012, and that on the OSE JASDAQ Market was 115.7 billion yen, up 473.9%.

Against such background, the Company exerted its efforts on the expansion of assets in custody and actively strove to obtain corporate mandates for IPO and underwriting ahead of the March 31, 2014 target date of the Medium-Term Management Plan. Consequently, assets in custody reached 1,713.3 billion yen, up 15.9% from the end of the previous fiscal year (March 31, 2013), and newly-acquired corporate mandates numbered 4 (2 mandates for IPO and 2 mandates for follow-on financing by already-listed companies), both a noteworthy improvement towards the attainment of numerical targets in the Medium-Term Management Plan.

With respect to investment trust funds, the Company designated 13 investment trust funds as basic assets of customers and placed them at the center of its promotional activities. Continuing its shift of stress towards equity investment operations matching the market climate, the Company also exerted its efforts on the distribution of "Pictet Emerging Nations Income Stock Fund," "HSBC New Leaders Sovereign Open," "Pictet Global Income Stock Fund", and "Nippon Fukkatsu Seichokabu Fund"(which literally means Japan Recovery/Growth Stock Fund).

Resultantly, net operating revenue for the first three quarters of fiscal 2013 registered 19,524

million yen, up 71.1% over the comparable period of the previous fiscal year, and operating cost and expenses recorded 12,265 million yen, up 15.1%. Resultantly, operating income amounted to 7,258 million yen, and current income registered 7,340 million yen, an increase of 6,558 million yen from the year-earlier period.

Set forth below are revenue sources, cost and expenses, cash flow and financial condition.

1. Commissions

Total commissions for the first three quarters of fiscal 2013 amounted to 18,180 million yen, up 74.3% from the year-earlier period.

(1) Brokerage commissions

Total volume of brokerage transactions recorded 1,795.3 billion yen, up 123.3% over the year-earlier period, as market circumstances brightened from the end of 2012, and total brokerage commissions on stocks rose 155.3% to 7,620 million yen. Brokerage commissions on small- and medium-cap stocks (stocks listed on the Second Sections of the Tokyo Stock Exchange <which includes the merged Second Section of the Osaka Securities Exchange>, TSE Mothers and JASDAQ) registered 1,807 million yen, accounting for 23.7% of total brokerage commissions on stocks, up from 14.5% for the year-earlier period.

(2) Commissions from underwriting and solicitation to specified investors

In the primary market, the Company managed 25 initial public offerings (“IPOs”) (of which the Company lead-managed 2), as compared to 15 IPOs in the year-earlier period. In the secondary market, the Company participated in 10 deals on a management and underwriting basis (of which the Company lead-managed 2), as compared to 5 deal participations in the year-earlier period. As a result, commissions from underwriting and solicitation to specified investors jumped to 705 million yen, up 405.5%.

The cumulative number of companies whose offerings were lead- or co-managed by the Company stood at 895 (of which 32 were lead-managed) as of December 31, 2013.

(3) Commissions from distribution and solicitation to specified investors

The total amount of distribution of investment trust funds, mainly monthly-paying-out funds, reached 240.4 billion yen, up 15.6% over the year-earlier period, and commissions from distribution of investment trust funds recorded 6,038 million yen, up 42.7%. As a result, commissions from distribution and solicitations to specified investors amounted to 6,052 million yen, up 42.5%.

(4) Commissions from other sources

As the outstanding balance of investment trust funds at the end of the period under review increased 20.4% to 773.2 billion yen, the trailer fees grew 20.3% to 3,240 million yen. With the addition of investment advisory fees from Ichiyoshi Asset Management Co., Ltd., fees from research-unbundling, commissions from sales of variable-annuity insurance policies and fees from IPO-assistances, total commissions from other sources amounted to 3,682

million yen, up 21.6%.

2. Gains or loss on trading

Trading in stocks, etc. recorded net gains of 156 million yen, up 318.1% from the year-earlier period. Trading in bonds and foreign exchange, etc. registered net gains of 113 million yen, up 11.5%. As a result, total net gains on trading amounted to 269 million yen, up 93.8%.

3. Interest and dividend income

Interest and dividend income grew 71.7% to 185 million yen due to an increase in advances for margin transactions. Interest expenses decreased 4.3% to 38 million yen. As a result, net interest and dividend income recorded 147 million yen, up 116.4%.

4. Operating cost and expenses

While the Company continued cost-reduction efforts, personnel expenses and transaction-related expenses associated with expanded brokerages increased. As a result, operating cost and expenses amounted to 12,265 million yen, up 15.1%.

5. Non-operating income and expenses

The Company recorded non-operating income of 81 million yen, up 209.7% from the year-earlier period. It mostly consisted of dividends on investment securities and investment gains on investment partnerships.

6. Extraordinary income and loss

The Company recorded an extraordinary income of 1,002 million yen, mainly gains on sales of investment securities.

As a result of these activities, income before taxes and tax adjustments for the first three quarters of fiscal 2013 amounted to 8,342 million yen, and net income (after deduction of corporate income taxes, resident's taxes and enterprise taxes in the aggregate amount of 1,594 million yen and after deduction of corporate tax adjustments in the amount of 15 million yen) recorded 6,732 million yen, an noteworthy increase of 6,076 million yen from net income of 656 million yen for the year-earlier period.

2. Qualitative Information on Consolidated Financial Condition

Conditions of Assets, Liabilities and Net Worth

a) Current assets

Current assets amounted to 43,564 million yen as of December 31, 2013, a rise of 9,026 million

yen up 26.1%) from March 31, 2013, as subscription payments for investment trust funds decreased by 4,450 million yen and segregated cash and statutory deposits declined by 272 million yen while cash and deposits increased by 10,812 million yen and margin transaction assets grew by 2,978 million yen.

(b) Fixed assets

Fixed assets stood at 8,820 million yen as of December 31, 2013, a decline of 392 million yen (down 4.3%) from March 31, 2013, as the Company sold investment securities in the amount of 165 million yen and cash deposits as guarantee for long-term credits decreased by 146 million yen through the refunding of the same amount in connection with the relocation of a branch.

As a result, total assets registered 52,385 million yen as of December 31, 2013, a rise of 8,634 million yen (up 19.7%) from March 31, 2013.

(c) Current liabilities

Current liabilities stood at 20,014 million yen as of December 31, 2013, a growth of 5,256 million yen (up 35.6%) from March 31, 2013. The growth resulted from a decrease of 5,338 million yen in margin transaction liabilities, an increase of 8,942 million yen in cash payable to customers, a swelling of 1,066 million yen in taxes payable and a rise of 736 million yen in deposits from customers (for committed trades).

(d) Long-term liabilities

Long-term liabilities recorded 1,411 million yen as of December 31, 2013, a decrease of 41 million yen (down 2.8%) from March 31, 2013. The decrease chiefly resulted from a drop of 33 million yen in deferred tax liabilities.

(e) Statutory reserves

Statutory reserves registered 136 million yen as of December 31, 2013, an increase of 27 million yen from March 31, 2013.

(f) Net worth

Net worth amounted to 30,822 million yen as of December 31, 2013, an addition of 3,391 million yen (up 12.4%) from March 31, 2013. The addition resulted as the Company recorded net income 6,732 million yen for the first three quarters while the Company paid dividends in the amount of 2,917 million yen, acquired treasury shares in the amount of 393 million yen and registered a decline of 58 million yen in valuation difference on available-for-sale securities in connection with sales of investment securities.

As a result, equity ratio as of December 31, 2013 registered 58.7%, and capital adequacy ratio as of the same date, as defined by the securities regulator, registered 571.0%.

3. Qualitative Information relating to Consolidated Business Forecast

Since the forecast of earnings in financial-instruments trading, the main-line business of the Company and its group companies, is hard to make due to volatile factors in the market, the

Company does not provide such forecast prior to the end of each business quarter. Instead, the Company intends to release preliminary earnings figures around the middle of the month following the end of the applicable quarter.

II. Other Summary Information (Points to Note)

- (1) Changes in material subsidiaries for the first three quarters of fiscal 2013: None.
- (2) Application of an accounting treatment unique to the preparation of quarterly financial statements: None. .
- (3) Changes in accounting policies and accounting estimates and re-presentation of modifications: None.

. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(in millions of yen)

	As of December 31 2013	As of March 31 2013
Current assets		
Cash and bank deposits	20,457	9,644
Segregated cash and statutory deposits	5,299	5,571
Trading assets	397	343
Securities	397	341
Derivatives	-	2
Contracted trades	66	94
Margin transaction assets	14,535	11,557
Advances for margin purchases	14,329	11,232
Cash deposits as collateral for securities borrowed	206	325
Advance payments for customers on trades	54	18
Advance payments for subscription	1,667	6,117
Short-term loans	36	19
Accrued income	918	997
Deferred tax assets	27	42
Other current assets	110	138
Allowances for doubtful accounts	-7	-6
	43,564	34,538
Fixed assets		
Tangible fixed assets	4,029	4,115
Buildings	1,390	1,444
Fixtures and equipment	641	670
Land	1,987	1,987
Lease assets, net	10	13
Intangible fixed assets	417	403
Goodwill	98	128
Computer software	317	273
Telephone subscription rights, etc.	1	1
Investments, etc.	4,373	4,693
Investment securities	3,341	3,507
Long-term loans	57	65
Cash deposits as guarantee for long-term credits	962	1,109
Deferred tax assets	5	5
Other investments	16	15
Allowances for doubtful accounts	-10	-10
	8,820	9,212
Total assets	52,385	43,751

	As of December 31	As of March 31
	2013	2013
Current liabilities		
Trading liabilities	0	-
Derivatives	0	-
Margin transaction liabilities	2,289	7,627
Borrowings for margin transactions	1,885	6,991
Cash received for loaned securities	404	636
Cash payable to customers	13,052	4,110
Deposits from customers (for committed trades)	1,497	760
Short-term borrowings	210	210
Lease obligations	3	4
Income taxes payable	1,481	414
Accrued bonuses to employees	366	559
Other current liabilities	1,112	1,069
	20,014	14,757
Long-term liabilities		
Long-term borrowings	390	420
Lease obligations	6	9
Deferred tax liabilities	635	669
Revaluation-related deferred tax liabilities	35	35
Accrued retirement benefits for employees	315	290
Other long-term liabilities	28	28
	1,411	1,453
Statutory reserves		
Reserve for financial instruments transaction liabilities	136	108
	136	108
Total liabilities	21,563	16,320
Net worth		
Shareholders' equity		
Capital stock	14,577	14,577
Capital surplus	8,700	8,676
Retained earnings	8,972	5,157
Treasury stock	-739	-346
Total Shareholders' equity	31,510	28,065
Othe Comprehensive Income		
Valuation difference on available-for-sale securities	1,088	1,147
Land revaluation difference	-1,855	-1,855
Total Othe Comprehensive Income	-766	-708
Subscription rights to shares	41	38
Minority interests	36	35
Total net worth	30,822	27,431
Total of liabilities and net worth	52,385	43,751

**(2) Quarterly Consolidated Income Statements
and Quarterly Consolidated Comprehensive Income Statements**

Quarterly Consolidated Income Statements

(in millions of yen)

	Nine months ended	
	Dec. 31, 2013	Dec. 31, 2012
Operating revenue		
Commissions	18,180	10,427
Gains or loss on trading	269	139
Interest and dividend income	185	108
Other operating income	927	777
Total Operating revenue	19,563	11,452
Interest expenses	38	40
Net operating revenue	19,524	11,412
Operating cost and expenses		
Transaction-related expenses	1,246	949
Personnel expenses	6,985	5,774
Property-related expenses	1,124	1,270
Clerical expenses	2,015	1,763
Depreciation	264	342
Public charges	157	110
Transfer to allowances for doubtful accounts	0	-
Others	470	446
Total Operating cost and expenses	12,265	10,657
Operating income	7,258	755
Non-operating income		
Dividends from investment securities	44	36
Gain on investments in partnership	25	1
Others	20	22
Total Operating income	89	60
Non-operating expenses		
Loss on investments in partnership	7	27
Others	0	6
Total Non-operating expenses	8	34
Current income	7,340	781
Extraordinary income		
Gains on sales of investment securities	1,036	-
Gains on reversal of subscription rights to shares	-	0
Reversal of reserve for financial instruments transaction liabilities	-	7
Total Extraordinary income	1,036	8
Extraordinary expenses		
Loss on write-off of fixed assets	6	7
Impairment loss	-	30
Transfer to reserve for securities transaction liabilities	27	-
Total Extraordinary expenses	33	38
Income before income taxes	8,342	751
Income, inhabitant and enterprise taxes	1,594	88
Income taxes adjustments	15	3
Total Income Taxes	1,609	92
Income before minority interests	6,733	658
Minority interests	0	1
Net income	6,732	656

Quarterly Consolidated Comprehensive Income Statements

(in millions of yen)

	Nine months ended	
	Dec. 31, 2013	Dec. 31, 2012
Income before minority interests	6,733	658
Other comprehensive income		
Valuation difference on available-for-sale securities	-58	-30
Share of other comprehensive income of associates accounted for using equity method	-	-0
Total other comprehensive income	-58	-30
Comprehensive income	6,675	627
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	6,674	625
Comprehensive income attributable to minority interests	0	1

(3) Notes Concerning Premises for Continuing Business Enterprise

None for the first three quarters of fiscal 2013.

(4) Notes in the Event of Material Changes in Shareholders' Capital

None for the first three quarters of fiscal 2013

IV. Supplementary Information**Breakdown of Consolidated Business Result for First Three Quarters of Fiscal 2013****1. Commissions****(1) Commissions by sources: (in millions of yen)**

	---Three quarters ended---		(A) over (B)	Fiscal 2012 ended
	Dec. 31, 2013	Dec. 31, 2012		March 31, 2013
	(A)	(B)	%	
<hr/>				
Brokerage commissions	7,740	3,013	+ 156.9	5,323
(Stocks)	(7,620)	(2,984)	(+ 155.3)	(5,284)
(Bonds)	(1)	(4)	(- 58.7)	(4)
Commissions from				
underwriting & solicitation				
to specified investors	705	139	+ 405.5	239
(Stocks)	(705)	(139)	(+ 406.6)	(239)
(Bonds)	(---)	(0)	(---)	(0)
Commissions from				
distribution & solicitation				
to specified investors	6,052	4,245	(+ 42.5)	7,088
(Beneficiary certificates)	(6,038)	(4,230)	(+ 42.7)	(7,070)
Commissions from				
Other sources	3,682	3,029	+ 21.6	4,155
(Beneficiary certificates)	(3,240)	(2,694)	(+ 20.3)	(3,693)
<hr/>				
Total	18,180	10,427	+ 74.3	16,806
<hr/>				

(2) Commissions by instruments: (in millions of yen)

	---Three quarters ended---		(A) over (B)	Fiscal 2012 ended
	Dec. 31, 2013	Dec. 31, 2012		March 31, 2013
	(A)	(B)	(%)	
Stocks	8,357	3,141	+ 166.0	5,554
Bonds	16	19	- 17.7	22
Beneficiary certificates	9,396	6,949	+ 35.2	10,798
Others	409	317	+ 29.1	431
Total	18,180	10,427	+ 74.3	16,806

2. Gains or loss on trading: (in millions of yen)

	---Three quarters ended---		(A) over (B)	Fiscal 2012 ended
	Dec. 31, 2013	Dec/ 31, 2012		March 31, 2013
	(A)	(B)	(%)	
Stocks, etc.	156	37	+ 318.1	54
Bonds, foreign exchange, etc.	113	101	+ 11.5	209
(Bonds, etc.)	(87)	(83)	(+ 4.2)	(172)
(Foreign exchange, etc.)	(26)	(18)	(+ 45.3)	(36)
Total	269	139	+ 93.8	263

3 . Quarterly Consolidated Income Statements for Recent Seven Quarters

(in millions of yen)

	1st Q (4-6/'12)	2nd Q (7-9/'12)	3 r d Q (10-12/'12)	4th Q (1-3/'13)	1st Q (4-6/'13)	2nd Q (7-9/'13)	3rd Q (10-12/'13)
Operating revenue	3,251	3,867	4,334	6,830	7,655	5,566	6,341
Commissions	2,919	3,559	3,949	6,378	7,156	5,149	5,874
Gains or loss on trading	29	28	81	124	112	57	100
Interest and dividend income	36	39	31	41	58	64	62
Other operating revenue	265	240	271	286	328	295	303
Interest expenses	11	14	14	14	14	11	12
Net operating revenue	3,239	3,853	4,320	6,815	7,640	5,555	6,328
Operating cost and expenses	3,593	3,420	3,643	3,939	4,183	3,967	4,114
Transaction-related expenses	362	274	311	315	401	375	470
Personnel expenses	1,924	1,889	1,961	2,217	2,393	2,294	2,297
Property-related expenses	409	407	454	488	379	372	372
Clerical expenses	586	560	616	635	686	644	684
Depreciation	114	110	118	104	83	88	92
Public charges	32	37	40	51	59	47	50
Reversal of allowances for doubtful accounts	0	-0	-	2	1	-0	-1
Others	163	141	141	122	178	144	148
Operating income	-354	432	677	2,875	3,456	1,588	2,214
Non-operating income	34	4	20	132	30	28	30
Non-operating expenses	5	27	1	46	0	7	0
Current income	-324	409	696	2,961	3,487	1,609	2,243
Extraordinary income	8	-	0	71	1,031	-	5
Extraordinary expenses	2	6	30	34	0	0	33
Income before income taxes	-319	403	666	2,998	4,518	1,609	2,215
Income, inhabitant and enterprise taxes	11	20	56	287	359	511	723
Income taxes adjustments	6	-3	0	-25	7	-5	13
Income before minority interests	-337	386	609	2,736	4,151	1,103	1,478
Minority interests	0	1	0	0	-0	0	0
Net income	-337	385	609	2,735	4,151	1,103	1,477

(END)